

**BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA**

DOCKET NO. 2019-290-WS

In the Matter of:

**Application of Blue Granite Water
Company for Approval to Adjust
Rate Schedules and Increase Rates**

**LATE-FILED EXHIBIT NO. 1 OF
BLUE GRANITE WATER COMPANY**

**Sale of Headquarters Office Located at
150 Foster Brothers Drive,
West Columbia, SC 29172**

- Blue Granite Water Company's (the "Company") headquarters was formerly located at 150 Foster Brothers Drive, West Columbia, South Carolina (the "Property").
- The Property consists of a 4,050 square-foot office building, along with 1.88 acres of treed acreage. The Property was acquired by the Company in 2014 for \$214,500.
- The Company removed the Property from rate base in October 2018. At that time, the original cost of the Property, inclusive of improvements since acquisition, was credited as a reduction of the amount carried upon the books of the Company under NARUC Account 304, "Utility Plant in Service – Structures and Improvements," for \$254,395. An offsetting entry was made to NARUC Account 421.1, Gain on Disposition of Property."
- The Property was sold on September 28, 2018. As described in the Agreement for the Purchase and Sale of Real Property (the "Agreement"), which is attached hereto as Attachment A, the Property was sold for \$356,400 to Palmetto Services Properties, LLC. Net proceeds received were \$325,769, as shown in Attachment B.

AGREEMENT FOR THE PURCHASE AND SALE OF REAL PROPERTY

THIS AGREEMENT is made as of the 1st day of August, 2018 (the "Effective Date"), by and between **PALMETTO SERVICES PROPERTIES, LLC AND/OR ITS ASSIGNS**, a South Carolina limited liability company ("Purchaser") and **CAROLINA WATER SERVICES INC.** ("Seller").

ARTICLE 1 PURCHASE AND SALE

1.1 Agreement of Purchase and Sale. Subject to the terms and conditions set forth herein and for and in consideration of the mutual promises of the parties made herein and other good and valuable consideration, the receipt and sufficiency whereof are hereby acknowledged, Seller agrees to sell and convey and Purchaser agrees to purchase the following:

(a) that certain land containing approximately 4,050 square feet of office property located at 150 Foster Brothers Dr in West Columbia further identified as part of Richland County Tax Map #006898-02-039 as approximately outlined on the attached plan labeled Exhibit A, attached hereto and incorporated herein by reference (the "Land");

(b) those rights, easements and appurtenances pertaining to the Land (the "Related Rights");

(c) all improvements on the Land (the "Improvements");

(d) all fixtures and furniture that currently sit inside, or outside, of the Improvements located on the Land (the "FF&E"), at no additional cost (the FF&E, Land, the Related Rights and the Improvements being hereinafter sometimes collectively referred to as the "Real Property"); and

(e) all of Seller's right, title and interest in, to and under all governmental permits, licenses and approvals, if any, belonging to or inuring to the benefit of Seller and pertaining solely to the Real Property, to the extent that such permits, licenses and approvals are assignable (the property described in this clause (d), being sometimes herein referred to collectively as the "Intangible Property").

1.2 Property Defined. The Real Property and the Intangible Property are hereinafter sometimes referred to collectively as the "Property."

1.3 Permitted Exceptions. The Property shall be conveyed, and Purchaser shall accept the Property, subject to the matters which are, or are deemed to be, Permitted Exceptions pursuant to ARTICLE 2 hereof (herein referred to collectively as the "Permitted Exceptions").

1.4 Payment of Purchase Price. The total purchase price ("Purchase Price") for the Property shall be Three Hundred Fifty Six Thousand Four Hundred and 00/100 Dollars (\$356,400.00). The Purchase Price shall be payable as follows:

(a) Earnest Money - \$15,000.00; and

(b) The remainder payable in cash or other immediately available funds at Closing;

1.5 Earnest Money. Within five (5) business days of the Effective Date, Purchaser shall deposit \$15,000.00 (the "Earnest Money") with Keable & Brown, PA, 109 Laurens Rd., Bldg 2, Ste A, Greenville, South Carolina 29607 ("Escrow Agent"). Escrow Agent shall deposit the Earnest Money in a federally regulated financial institution. If this transaction is fully consummated, the Earnest Money shall be applied against the cash portion of the Purchase Price. If the Property does not close, Escrow Agent shall hold the Earnest Money (i) pending receipt of written instructions

from Purchaser and Seller as to the distribution of the Earnest Money; or (ii) until a final determination of the rights of the parties is determined in an appropriate proceeding or (iii) Escrow Agent may bring an appropriate action or proceeding for leave to deposit the Earnest Money in a court of competent jurisdiction as it may deem appropriate pending such determination. In any legal action involving the Escrow Agent, including any inter-pleader action initiated by the Escrow Agent, all legal expenses reasonably incurred by the Escrow Agent including all discovery and appeals expenses shall be advanced from the Earnest Money and then borne by the party against which final judgment is rendered or as otherwise ordered by the court. All fees and costs incurred, including reasonable attorneys' fees, shall be paid by the non-prevailing party. Purchaser and Seller agree to hold the Escrow Agent harmless against any and all claims or damages arising from payment or application of the Earnest Money and the Escrow Agent shall not be liable to either party for damages or otherwise for any action taken in connection with the Earnest Money so long as Escrow Agent acts in accordance with written instructions signed by both Seller and Purchaser and provided however, that this release of liability shall not apply to willful acts of malfeasance by the Escrow Agent.

ARTICLE 2 INSPECTION PERIOD

2.1 Right of Inspection. Purchaser shall have a period of forty-five (45) days from the receipt of Seller Deliveries as defined in Section 2.2 below, in which to perform due diligence and conduct and approve any investigations and studies Purchaser deems necessary (the "Inspection Period") at Purchaser's own cost. During the Inspection Period, Purchaser shall have the right to make a physical inspection of the Property, and Purchaser, personally or through agents, employees or contractors, may go upon the Property during normal business hours or at other reasonable times, with no less than twenty four (24) hours' advance notice to Seller, to make boundary line or topographical surveys and to conduct such non-invasive studies, tests, samplings, investigations and analyses of any and all aspects of the Property as Purchaser deems desirable, including, without limitation, engineering, environmental, soil, and groundwater and other tests, samplings and studies of the Property. Purchaser shall indemnify and hold harmless Seller from and against all claims, demands, losses and expenses (including reasonable attorneys' fees) for injuries or death to persons or damage to the Property resulting from Purchaser's exercise of its inspection rights herein. The foregoing indemnification shall survive the Closing or the termination of this Agreement. This Section 2.1 shall survive the Closing or any termination of this Agreement.

2.2 Seller Deliveries. Seller hereby agrees to deliver to Purchaser within five (5) days following the Effective Date, copies of all materials described below to the extent in Seller's possession and by this reference made a part hereof (collectively, the "Property Documents"), to the extent Seller has not already done so:

- (a) Copies of the most recent tax bills and assessment notices for the Property;
- (b) Copies of any environmental, asbestos, soil, physical and engineering reports related to the Property, including, but not limited to, Phase I and Phase II environmental assessment reports, if any exist;
- (c) Copies of all title insurance policies and title exception documents for the Property;
- (d) Copy of existing survey of the Property; and
- (e) Copies of any other transaction specific material that Purchaser shall reasonably require in connection with their underwriting and due diligence of the Property.

2.3 Right of Termination. At any time during the Inspection Period, Purchaser may terminate this Agreement and all Purchaser's obligations for any reason whatsoever, in its sole discretion. If Purchaser deems the Property unsatisfactory, Purchaser may terminate this Agreement by giving notice to Seller as provided in Paragraph 9.3 hereof.

Upon such termination by Purchaser, the Escrow Agent shall promptly refund all Earnest Money to Purchaser and thereafter, neither party hereto shall have any further obligations hereunder to the other.

ARTICLE 3 TITLE AND SURVEY

3.1 Title Examination; Commitment for Title Insurance. Purchaser shall obtain from Stewart Title Insurance Company (the "Title Company"), a commitment for an ALTA Owners Policy of Title Insurance (the "Title Commitment") within thirty (30) days of the Effective Date (the "Title Review Period").

3.2 Survey. Purchaser may, at Purchaser's expense, employ a reputable surveyor or surveying firm, licensed by the State of South Carolina, to survey the Property and prepare and deliver to Purchaser and Seller during the Inspection Period a boundary survey and plat thereof (the "Survey") reflecting the total area of the Property calculated to the nearest 100th of an acre, and the location of all improvements, if any.

3.3 Title Objections; Cure of Title Objections. Purchaser shall have until ten (10) days after the expiration of the Title Review Period to give written notice to Seller of objections to any exceptions disclosed in the Title Commitment and any amendments thereto. Any exception in the Title Commitment to which Purchaser does not object by timely written notice shall be a "Permitted Exception." Time is of the essence with respect to the provisions of this Section 3.3. If Seller fails or is unable to cure any such exception at or prior to Closing, Seller shall be entitled to one reasonable adjournment of the Closing of up to, but not beyond, the thirtieth (30th) day following the date for Closing set forth in Section 4.1 hereof to attempt such cure.

If Seller determines, within its discretion, that it is reasonably unable to remove, satisfy or otherwise cure any such title exceptions, Purchaser's sole remedy hereunder in such event shall be either: (i) to accept title to the Property subject to such exceptions and Seller and Purchaser shall adjust the Purchase Price accordingly based on a mutually agreeable amount or (ii) to terminate this Agreement by providing written notice to Seller pursuant to Section 9.3. Upon such termination, the Earnest Money shall be returned to Purchaser and neither party hereto shall have any further rights, obligations or liabilities hereunder except to the extent that any right, obligation or liability set forth herein expressly survives termination of this Agreement.

3.4 Conveyance of Title. At Closing, Seller shall convey and transfer to Purchaser, by general warranty deed, such title to the Property as will enable the Title Company to issue to Purchaser, at Purchaser's expense, an ALTA Owner's Policy of Title Insurance (the "Title Policy") covering the Property, in the full amount of the Purchase Price without exception other than Permitted Exceptions. Notwithstanding anything contained herein to the contrary, the Property shall be conveyed subject to the following matters, which shall be deemed to be Permitted Exceptions:

- (a) The lien of all ad valorem real estate taxes and assessments not yet due and payable as of the date of Closing, subject to proration between the parties as herein provided;
- (b) local, state and federal laws, ordinances or governmental regulations, including but not limited to, building and zoning laws, ordinances and regulations, now or hereafter in effect relating to the Property;
- (c) easements for utilities and road rights of way serving the Property but which do not adversely affect intended development and use thereof; and
- (d) items which are, or become, Permitted Exceptions pursuant to Sections 3.3 or 3.5 hereof.

3.5 Amendments to Title Commitment. Purchaser shall have the right to object to any title exceptions first raised by the Title Company in any amendments to the Title Commitment issued after the effective date of the Title Commitment by giving written notice of those exceptions to which Purchaser is objecting within three (3) days after Purchaser's receipt of any such amendment. If Purchaser does not object to any exception first raised in an amendment to the Title Commitment issued after Purchaser's receipt of the Title Commitment by giving timely written notice as herein provided, such exception shall be a Permitted Exception. In the event Purchaser gives timely written notice of objection to any exception as herein provided, the provisions of Section 3.3 shall apply with respect thereto as if set forth herein in full. Time is of the essence with respect to the provisions of this Section 3.5.

ARTICLE 4CLOSING

4.1 Closing. The Closing of the sale of the Property shall occur within fifteen (15) days of the expiration of the Inspection Period (the "Closing Date"). The Closing shall occur at Keable & Brown, PA, 109 Laurens Rd, Bldg 2, Ste A, Greenville, SC 29607 (the "Closing Attorney") on or before the Closing Date, as extended if applicable, as the parties shall agree, and may be accomplished via mail with the delivery of all necessary executed originals at least twenty four (24) hours prior to the Closing Date.

4.2 Seller's Obligations at Closing. At Closing, Seller shall:

- (a) deliver to Purchaser a general warranty deed, duly executed by Seller, pursuant to which Seller shall convey the Real Property to Purchaser subject only to the Permitted Exceptions (the "Deed");
- (b) deliver to Purchaser possession of the Property, subject only to the Permitted Exceptions;
- (c) deliver such evidence as the Closing Attorney may reasonably require as to the authority of the person or persons executing documents on behalf of Seller;
- (d) deliver to the Closing Attorney tax identification number;
- (e) deliver an affidavit duly executed by Seller stating that Seller is not a "foreign person" as defined in the Federal Foreign Investment in Real Property Tax Act of 1980 and the 1984 Tax Reform Act;
- (f) deliver to the Closing Attorney a residency certification as required by South Carolina and federal laws;
- (g) deliver to the Closing Attorney a Transferor's Affidavit or a South Carolina Tax Compliance certificate issued within 30 days prior to Closing;
- (h) deliver to the Closing Attorney a title insurance affidavit, duly executed by Seller or a representative of Seller, in form and content reasonably satisfactory to the Seller and sufficient for the Title Company to issue the Title Policy without exception for parties in possession, mechanic's and materialmen liens and insuring the "gap" period;
- (i) deliver to the Closing Attorney a duly executed closing statement; and
- (j) deliver such additional documents as shall be reasonably requested by the Closing Attorney or required by this Agreement or by any applicable law to consummate the transaction contemplated by this Agreement, provided, however, that in no event shall Seller be required to undertake any other material liability not expressly contemplated in this Agreement, unless Seller elects to do so in its sole discretion.

4.3 Purchaser's Obligations at Closing. At Closing, Purchaser shall:

- (a) deliver to Escrow Agent the full amount of the Purchase Price, as increased or decreased as mutually agreed to by credits, prorations and adjustments as provided in Section 4.5 hereof, in immediately available federal funds wire transferred to Escrow Agent's Account pursuant to the terms of this Agreement, it being agreed that at Closing the Earnest Money shall be applied towards payment of the Purchase Price;
- (b) deliver such evidence as the Closing Attorney and/or Seller's counsel may reasonably require as to the authority of the person or persons executing documents on behalf of Purchaser;
- (c) deliver to the Closing Attorney a duly executed closing statement; and
- (d) deliver such additional documents as shall be reasonably requested by the Closing Attorney or required by this Agreement or by any applicable law to consummate the transaction contemplated by this Agreement, provided, however, that in no event shall Purchaser be required to undertake any other material liability not expressly contemplated in this Agreement, unless Purchaser elects to do so in its sole discretion.

4.4 Credits and Prorations. Ad valorem taxes and assessments levied against the Property for the calendar year in which Closing occurs shall be apportioned with respect to the Property as of 12:01 a.m., on the day of Closing, as if Purchaser were vested with title to the Property during the entire day upon which Closing occurs. If taxes and assessments for the current year have not been paid before Closing, Seller shall be charged at Closing an amount equal to that portion of such taxes and assessments which relates to the period before Closing and Purchaser shall pay the taxes and assessments prior to their becoming delinquent. Any ad valorem taxes paid at or prior to Closing shall be prorated based upon the amounts actually paid. If taxes and assessments for the current year have not been paid before Closing, Seller shall be charged at Closing an amount equal to that portion of such taxes and assessments which relates to the period before Closing. Any such apportionment made with respect to a tax year for which the tax bill has not been issued shall be based upon the prior's year's tax bill. To the extent that the actual taxes and assessments for the current year differ from the amount apportioned at Closing, the parties shall make all necessary adjustments by appropriate payments between themselves following Closing. In addition, any rents received from the Property shall be prorated as of the date of Closing. This Section 4.4 shall not apply to any rollback taxes due on the Property. The provisions of this Section 4.4 shall survive Closing.

4.5 Closing Costs.

(a) Seller shall pay (i) the fees of any counsel representing it in connection with this transaction, (ii) deed and seller document preparation; (iii) the costs of curing any Title Objections Seller agrees to cure following receipt of Purchaser's Title Objections, (iv) the costs of paying off all liens on the Property and recording all mortgage or other lien satisfactions or cancellations, if applicable, (v) all applicable transfer taxes, documentary stamp taxes and similar charges relating to the transfer of the fee simple interest in the Property (excluding any such fees and charges associated with financing obtained by the Purchaser); and (vi) any rollback taxes associated with the Property.

(b) Purchaser shall pay (i) the fees of any counsel representing Purchaser in connection with this transaction, (ii) the costs and expenses associated with the Title Policy and all endorsements relating thereto; (iii) the premium for any lender's title policy; (iv) the cost of Purchaser's inspections of the Property, (v) the cost of the Survey, if any, and (vi) the costs of any financing obtained by Purchaser and the recording costs associated with all Purchaser's financing documents.

(c) Except as otherwise provided herein, all other costs and expenses incident to this transaction and the Closing thereof shall be paid by the party incurring same.

4.6 Conditions Precedent to Obligation of Purchaser. The obligation of Purchaser to consummate the transaction hereunder shall be subject to the fulfillment on or before the Closing Date (or such earlier time as otherwise required hereby) of all of the following conditions, any or all of which may be waived by Purchaser in its sole discretion:

(a) Purchaser obtaining financing to purchase the Property at terms and conditions acceptable to Buyer;

(b) All of the representations and warranties of Seller contained in this Agreement shall be true and correct in all material respects as of the Closing Date, as if made and updated as of the Closing Date (without any reference to "knowledge");

(c) Seller shall have performed and observed, in all material respects, all covenants and agreements of this Agreement to be performed and observed by Seller as of the Closing Date; and

(d) All other conditions precedent to Purchaser's obligation to consummate the transaction hereunder (if any) which are set forth in this Agreement shall have been satisfied on or before the Closing Date.

In the event any of the foregoing conditions has not been satisfied by the Closing Date other than through Purchaser's default or failure of Purchaser to fully comply with its obligations under this Agreement, Purchaser shall not be obligated to consummate the transactions contemplated hereby until such conditions have been satisfied and until such conditions have been satisfied, Purchaser shall have the right to terminate this Agreement by written notice given to Seller, whereupon Escrow Agent shall refund the Earnest Money to Purchaser and the parties shall have no further rights, duties or obligations hereunder, other than those which are expressly provided herein to survive the termination of this Agreement.

Notwithstanding anything to the contrary in the foregoing, if any of the foregoing conditions in this Section has not been satisfied due to a default or failure of performance by Purchaser or Seller hereunder, then Purchaser's and Seller's respective rights, remedies and obligations shall instead be determined in accordance with Article 6.

4.7 Conditions Precedent to Obligation of Seller. The obligation of Seller to consummate the transaction hereunder shall be subject to the fulfillment on or before the Closing Date of all of the following conditions, any or all of which may be waived by Seller in its sole discretion:

(a) Purchaser shall have delivered to Seller all of the items required to be delivered to Seller by Purchaser or Purchaser's agents pursuant to the terms of this Agreement, including but not limited to, those provided for in Section 4.3;

(b) All of the representations and warranties of Purchaser contained in this Agreement shall be true and correct in all material respects as of the Closing Date, as if made and updated as of the Closing Date;

(c) Purchaser shall have performed and observed, in all material respects, all covenants and agreements of this Agreement to be performed and observed by Purchaser as of the Closing Date; and

(d) All other conditions precedent to Seller's obligation to consummate the transaction hereunder (if any) which are set forth in this Agreement shall have been satisfied on or before the Closing Date.

In the event any of the foregoing conditions has not been satisfied by the Closing Date other than through Seller's default or failure of Seller to fully comply with its obligations under this Agreement, Seller shall have the right to terminate this Agreement by written notice given to Purchaser on the later of (i) the Closing Date or (ii)

the date that is five (5) days after Purchaser has received written notice from Seller stating that any of the above conditions have not been satisfied.

Notwithstanding anything to the contrary in the foregoing, if any of the foregoing conditions in this Section has not been satisfied due to a default or failure of performance by Purchaser or Seller hereunder, then Purchaser's and Seller's respective rights, remedies and obligations and the disposition of the Earnest Money as a result of such default shall instead be determined in accordance with Article 6.

4.8 1031 Exchange. Purchaser and Seller each reserve the right to effectuate the purchase or sale of the Property by means of an exchange of "like-kind" property which will qualify as such under Section 1031 of the Code and the regulations promulgated thereunder. Purchaser and Seller expressly reserve the right to assign its rights, but not its obligations, hereunder to a qualified intermediary as provided in I.R.C. Reg. 1.1031(k)-1(g)(4) on or before the date of Closing. Purchaser and Seller agree to cooperate to effect a like-kind exchange, provided that such cooperation shall be subject to the following conditions: (a) such exchange shall occur either simultaneously with the Closing or, in the case of Seller utilizing a 1031 exchange, the sale proceeds payable to Seller shall be paid to a third party title company or intermediary and title conveyed to Purchaser, such that Purchaser shall not be required to participate in any subsequent closing, (b) each party shall be solely responsible for any sums or expenses for their 1031 exchange, and (c) Purchaser shall not be obligated to acquire, accept title to or convey any property other than the property to be conveyed to Purchaser pursuant to this Agreement.

ARTICLE 5 REPRESENTATIONS, WARRANTIES AND COVENANTS

5.1 Representations and Warranties of Seller. Seller hereby makes as of the Effective Date the following representations and warranties to Purchaser, which representations and warranties shall be true and correct in all material respects as of the Closing Date.

(a) Organization and Authority. Seller has the full right and authority to enter into this Agreement and to convey fee simple title to the Property pursuant hereto and to consummate or cause to be consummated the transactions contemplated herein. The person signing this Agreement on behalf of Seller is authorized to do so. Neither the execution and delivery of this Agreement nor any other documents executed and delivered, or to be executed and delivered, by Seller in connection with the transactions described herein, will violate any provision of any agreements, regulations, or laws to or by which Seller is bound. This Agreement has been duly authorized, executed and delivered by Seller, is a valid and binding obligation of Seller and is enforceable against Seller in accordance with its terms subject to (i) applicable bankruptcy, insolvency, reorganization, moratorium, and other laws affecting the rights of creditors generally; and (ii) the exercise of judicial discretion in accordance with general principles of equity;

(b) Consents. Seller has obtained all consents and permissions (if any) related to the transactions herein contemplated and required under Seller's organizational documents or any covenant, agreement, encumbrance, law or regulation by which Seller or the Property is bound.

(c) Pending Actions. No action, suit, arbitration, administrative or judicial proceeding, or unsatisfied order or judgment is pending or, to Seller's knowledge, threatened against Seller which pertains directly to the Property or the transaction contemplated by this Agreement. In addition, there exists no other action, suit, arbitration, administrative or judicial proceeding, or unsatisfied order or judgment which is pending or, to Seller's knowledge, threatened against Seller which, if adversely determined, would have a Material Adverse Effect. (As used in this Agreement, the term "Material Adverse Effect" means, with respect to any fact or circumstance, that such fact or circumstance would individually or in the aggregate, have a material adverse

effect on title to the Property or any portion thereof, or on Seller's ability to consummate the transaction contemplated herein, or on the physical condition, legal status, value or ability to develop or operate the Property in its condition as of the Effective Date or as related to the Intended Improvements).

(d) Environmental. To the best of Seller's knowledge, the Property has not, nor has any portion thereof, been used as a landfill, dump or other repository of debris or refuse. To the best of Seller's knowledge, the Property does not contain any Hazardous Substances (as hereinafter defined) nor is the Property otherwise contaminated with any chemicals or toxic substances, which if present, in or on the Property, would require removal or reclamation. As used herein, "Hazardous Substances" means all hazardous or toxic materials, substances, pollutants, contaminants, or wastes currently identified as a hazardous substance or waste in the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (commonly known as "CERCLA"), as amended, the Superfund Amendments and Reauthorization Act (commonly known as "SARA"), the Resource Conservation and Recovery Act (commonly known as "RCRA"), or any other federal, state or local legislation or ordinances applicable to the Property. Seller, its successors and assigns, shall indemnify, protect, hold harmless and defend Purchaser, his successors, heirs and assigns from and against any and all claims, damages, losses and expenses (including reasonable attorneys fees) arising out of or resulting from any environmental issues created or arising during Seller's ownership of the Property. The provisions of this paragraph shall survive Closing.

(e) Condemnation. Seller has received no notice of, nor to the best of Seller's knowledge is there, any pending, threatened or contemplated action by any governmental authority or agency having the power of eminent domain, which might result in any part of the Property being taken by condemnation.

(f) Conflicts. There is no agreement to which Seller is a party, or binding on Seller, which is in conflict with this Agreement.

(g) Financial Status. Seller is solvent, has not made a general assignment for the benefit of its creditors, and has not admitted in writing its inability to pay its debts as they become due. Seller has neither filed, nor does it contemplate the filing of, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or any other proceeding for the relief of debtors in general, nor has any such proceeding been instituted by or against Seller, nor, to Seller's knowledge, is any such proceeding threatened or contemplated. The sale of the Property will not render Seller insolvent.

5.2 Survival of Seller's Representations and Warranties. The representations and warranties of Seller set forth in Section 5.1 shall survive Closing for a period of one (1) year (the "Survival Period"), unless notice setting forth a specific claim under any such representation or warranty (a "Claim") shall be given to Seller within that period, in which case such representation or warranty shall survive until such claim is finally and fully resolved.

5.3 Covenants of Seller. Seller hereby covenants with Purchaser, from the Effective Date until the Closing or earlier termination of this Agreement, as follows:

(a) Maintenance of Property. Seller shall maintain the Property in a manner generally consistent with the manner in which Seller has maintained the Property prior to the Effective Date;

(b) Execution of New Contracts. Seller shall not, without Purchaser's prior written consent in each instance (which consent may be withheld in Purchaser's sole discretion), enter into any contract or agreement or lease that will be an obligation affecting the Property or binding on Purchaser after the Closing;

(c) Disposition of the Property and Other Matters. For so long as this Agreement remains in force, Seller shall not, without Purchaser's prior written consent in each instance (which consent may be withheld in Purchaser's sole discretion):

(1) sell, assign, rent, lease, convey (absolutely or as security), grant a security interest in, or otherwise encumber or dispose of, the Property (or any interest or estate therein), change or request a change in the zoning classification of the Property or any development restrictions applicable to the Property, or consent to or acquiesce in any of the foregoing; or

(2) enter into any contract that will be an obligation affecting the Property subsequent to the Closing.

5.4 Representations and Warranties of Purchaser. Purchaser hereby makes the following representations and warranties to Seller as of the Effective Date:

(a) Organization and Authority. Purchaser has the full right and authority to enter into this Agreement and to purchase the Property pursuant hereto and to consummate or cause to be consummated the transactions contemplated herein. The person signing this Agreement on behalf of Purchaser is authorized to do so. Neither the execution and delivery of this Agreement nor any other documents executed and delivered, or to be executed and delivered, by Purchaser in connection with the transactions described herein, will violate any provision of Purchaser's organizational documents or of any agreements, regulations, or laws to or by which Purchaser is bound. This Agreement has been duly authorized, executed and delivered by Purchaser, is a valid and binding obligation of Purchaser and is enforceable against Purchaser in accordance with its terms subject to (i) applicable bankruptcy, insolvency, reorganization, moratorium, and other laws affecting the rights of creditors generally; and (ii) the exercise of judicial discretion in accordance with general principles of equity;

(b) Consents. Purchaser has obtained all consents and permissions (if any) related to the transactions herein contemplated and required under Purchaser's organizational documents or any covenant, agreement, encumbrance, law or regulation by which Purchaser is bound;

(c) Pending Actions. There is no action, suit, arbitration, administrative or judicial administrative proceeding, or unsatisfied order or judgment pending or, to Purchaser's knowledge, threatened against Purchaser or the transaction contemplated by this Agreement, which, if adversely determined, could individually or in the aggregate have a material adverse effect on Purchaser's ability to consummate the transaction contemplated herein; and

(d) Conflicts. There is no agreement to which Purchaser is a party, or binding on Purchaser, which is in conflict with this Agreement.

5.5 Survival of Purchaser's Representations and Warranties. The representations and warranties of Purchaser set forth in Section 5.4 shall survive Closing for a period of one (1) year after the Closing Date unless notice setting forth a specific claim under any such representation or warranty (a "Claim") shall be given to Purchaser within that period, in which case such representation or warranty shall survive until such claim is finally and fully resolved

ARTICLE 6 DEFAULT

6.1 Default by Purchaser. If the sale of the Property as contemplated hereunder is not consummated due to Purchaser's default hereunder, then Seller shall be entitled, as its sole and exclusive remedy for such default, to terminate this Agreement and receive the Earnest Money as liquidated damages for the breach of this Agreement and not as a penalty, it being agreed between the parties hereto that the actual damages to Seller in the event of such breach are impractical to ascertain and the amount of the Earnest Money is a reasonable estimate thereof; Seller hereby expressly waiving and relinquishing any and all other remedies at law or in equity. Seller's right to receive the Earnest Money is intended not as a penalty, but as full liquidated damages. The right to receive the Earnest Money as full liquidated damages is Seller's sole and exclusive remedy in the event of default hereunder by Purchaser, and Seller

hereby waives and releases any right to (and hereby covenants that it shall not) sue Purchaser: (a) for specific performance of this Agreement, or (b) to recover any damages of any nature or description other than or in excess of the Earnest Money. Purchaser hereby waives and releases any right to (and hereby covenants that it shall not) sue Seller or seek or claim a refund of the Earnest Money (or any part thereof) on the grounds it is unreasonable in amount and exceeds Seller's actual damages or that its retention by Seller constitutes a penalty or a windfall and not agreed upon and reasonable liquidated damages. This Section 6.1 is subject to Section 6.4 hereof.

6.2 Default by Seller. If the sale of the Property as contemplated hereunder is not consummated due to Seller's default hereunder, Purchaser, as its sole remedies, shall have the option of: (a) to terminate this Agreement and have the Escrow Agent refund the Earnest Money to Purchaser as liquidated damages for the breach of this Agreement and not as a penalty, it being agreed between the parties hereto that the actual damages to Purchaser in the event of such breach are impractical to ascertain and the amount of Earnest Money is a reasonable estimate thereof; or (b) seeking specific performance of this Agreement against Seller, but in no event shall Purchaser be entitled to collect money damages from Seller. Seller hereby waives and releases any right to (and hereby covenants that it shall not) sue Purchaser or seek or claim payment of the Earnest Money (or any part thereof) on the grounds it is unreasonable in amount and exceeds Purchaser's actual damages or that its payment to Purchaser constitutes a penalty or a windfall and not agreed upon and reasonable liquidated damages. This Section 6.2 is subject to Section 6.4 hereof.

6.3 Notice of Default; Opportunity to Cure. Neither Seller nor Purchaser shall be deemed to be in default hereunder until and unless such party has been given written notice of its failure to comply with the terms hereof and thereafter does not cure such failure within five (5) days after receipt of such notice; provided, however, that this Section 6.3 shall not apply in case of (i) Purchaser's failure to deliver the Earnest Money or any portion thereof on the date required or (ii) a party's failure to make any deliveries required of such party on the Closing Date. Such failures under sub-sections (i) and (ii) shall not have the effect of extending the due date of any Earnest Money deposit (or portion thereof) or the Closing Date hereunder.

6.4 Recoverable Damages. Notwithstanding Sections 6.1 and 6.2 hereof, in no event shall the provisions of Sections 6.1 and 6.2 limit (i) either Purchaser's or Seller's obligation to indemnify the other party or the damages recoverable by the indemnified party against the indemnifying party due to a party's express obligation to indemnify the other party in accordance with this Agreement, including, without limitation, Sections 2.1 and 8.1 hereof, or (ii) either party's obligation to pay costs, fees or expenses under this Agreement, including, without limitation, Section 4.5 hereof or the damages recoverable by either party against the other party due to a party's failure to pay such costs; or (iii) liability for any environmental contamination.

ARTICLE 7 RISK OF LOSS

7.1 Risk of Loss. Until the purchase of the Property has been consummated on the Closing Date, all risk of loss of, damage to, or destruction of, the Property (whether by fire, flood, tornado or other casualty, or by the exercise of the power of eminent domain, or otherwise) shall belong to and be borne by Seller. For purposes of this Agreement, any contamination of the Property with Hazardous Materials or release or discharge at the Property of Hazardous Materials, except for such contamination, release, or discharge caused by Purchaser or its agents, occurring on or after the Effective Date shall constitute a casualty.

7.2 Casualty or Condemnation. In the event of any damage to or destruction of any material portion of the Property or in the event of any taking or threat of taking by condemnation (or any conveyance in lieu thereof) of any material portion of the Property by anyone having the power of eminent domain, Purchaser shall, by written notice to Seller delivered within ten (10) days of receiving written notice from Seller of such event, elect to: (a) terminate this Agreement and all of Purchaser's obligations under this Agreement, whereupon the Earnest Money shall be returned to Purchaser, this Agreement shall terminate and Purchaser and Seller shall have no further rights and obligations hereunder except those which expressly survive termination of this Agreement; or (b) consummate the Closing subject

to the terms and conditions of this Agreement. If Purchaser receives Seller's written notice within less than ten (10) days of Closing, the Closing Date shall be extended as necessary in order for Purchaser to have ten (10) days in which to make its election. If Purchaser does not elect to terminate this Agreement pursuant to clause (a) of this Section 7.2, then Seller shall on the Closing Date pay to Purchaser all insurance proceeds then received by Seller and all condemnation awards and compensation then received by Seller. In addition, Seller shall transfer and assign to Purchaser, in form reasonably satisfactory to Purchaser, all rights and claims of Seller with respect to payment for damages and compensation on account of such damage, destruction or taking.

7.3 Notice of Condemnation or Casualty. Seller shall notify Purchaser immediately upon Seller's receiving notice of the occurrence or existence of any damage, destruction, condemnation or threat of condemnation affecting the Property and, at the same time, shall provide Purchaser with such information with respect thereto as is in Seller's possession in order to aid Purchaser in making, on an informed basis, the election between the alternatives provided by clauses (a) and (b) in Section 7.2 above. Notwithstanding anything in this Agreement to the contrary, Purchaser shall have ten (10) days after it receives such information from Seller within which to elect between such alternatives, and, accordingly, the Closing Date shall be postponed, if and to the extent necessary, to allow Purchaser such ten (10) business day period in which to make the election under Section 7.2 above.

ARTICLE 8 COMMISSIONS

8.1 Representation and Indemnity. Purchaser and Seller each hereby represents and warrants to the other that it has not disclosed this Agreement or the subject matter hereof to, and has not dealt with, any real estate broker, agent or salesman so as to create any legal right or claim in any such broker, agent or salesman for a real estate commission or similar fee or compensation with respect to the negotiation and/or consummation of this Agreement or the conveyance of the Property by Seller to Purchaser other than CBRE, Inc., representing Seller, and Pintail Capital Partners, representing Seller. The total commission to be split equally between the brokers shall be 7% of the Gross Purchase Price, which commission shall be paid by Seller. Purchaser and Seller shall indemnify, hold harmless and defend each other from and against any and all claims and demands for a real estate brokerage commission or similar fee or compensation arising out of any claimed dealings with the indemnifying party and relating to this Agreement or the purchase and sale of the Property (including reasonable attorneys' fees and expenses and court costs incurred in defending any such claim or in enforcing this indemnity).

8.2 Survival. This Article 8 shall survive the rescission, cancellation, termination or consummation of this Agreement.

ARTICLE 9 MISCELLANEOUS

9.1 Confidentiality; Public Disclosure. Without the prior written consent of Seller, (i) Purchaser will not disclose to any person, other than their legal counsel or a proposed lender, either the fact that this Agreement has been entered into or any of the terms, conditions or other facts with respect thereto, including the status thereof; provided, that Purchaser hereto may make such disclosure if compelled by court order or to comply with the requirements of any law, governmental order or regulation; and (ii) Purchaser will not make any public disclosure or issue any press release pertaining to the existence of this Agreement, or to the proposed acquisition of the Property, except as required by law.

9.2 Assignment. Purchaser may assign its rights under this Agreement to any entity controlled by or under common control of Purchaser or in which Purchaser has a majority interest without Seller's consent, and may otherwise assign its rights hereunder with the consent of Seller in Seller's sole discretion. No transfer or assignment by Seller or Purchaser shall release or relieve such assignor of its obligations hereunder without the express written consent of the non-assigning or non-transferring party.

9.3 Notices. Any notice pursuant to this Agreement shall be given in writing by (a) personal delivery, or (b) reputable overnight delivery service with proof of delivery, or (c) by facsimile with written confirmation of delivery, or (d) by email with written confirmation of receipt, or (e) United States Mail, postage prepaid, registered or certified mail, return receipt requested, or to such other address or to the attention of such other person as the addressee shall have designated by written notice sent in accordance herewith, and shall be deemed to have been given either at the time of personal delivery, or, in the case of expedited delivery service or mail, as of the date of first attempted delivery at the address and in the manner provided herein, or, in the case of facsimile transmission, as of the date of the facsimile transmission provided that a verbal confirmation of receipt is obtained. Any notice of any party may be given by such party's counsel. Unless changed in accordance with the preceding sentence, the addresses for notices given pursuant to this Agreement shall be as follows:

If to Purchaser: Palmetto Services Properties, LLC
 ATTN: Rodney Hinton
 165 S. Hammett Rd.
 Greer, SC 29651
 864-303-5722
rhinton@palmettoairbalance.com
phinton@palmettoairbalance.com

With a copy to: Lakin Parr
 Pintail Capital Partners
 135 S Main St #101
 Greenville, SC 29601
 864-421-4747
lakin@pintailcp.com

Keable & Brown, PA
 Kimberly W. Keable, Esq.
 109 Laurens Rd., Bldg 2, Ste A
 Greenville, SC 29607
 864-250-4000
 Email: kim@keablelaw.com

If to Seller: Carolina Water Services Inc.
 ATTN: Michael R. Cartin
 130 S. Main Street, Suite 600
 Greenville, SC 29601
 803-960-5405
mrcartin@uiwater.com

With copy to: _____

CWS
 c/o Utilities, Inc.
 Laura Granier, Esq., Vice President and General Counsel
 2335 Sanders Rd.
 Northbrook, IL
lgranier@uiwater.com

If to Escrow Agent: Keable & Brown, PA
 Attn: Kimberly W. Keable
 109 Laurens Rd., Bldg 2, Ste A
 Greenville, SC 29607
 Telephone: 864-250-4000
 Email: kim@keablelaw.com

9.4 Modifications. This Agreement cannot be changed orally, and no agreement shall be effective to waive, change, modify or discharge it in whole or in part unless such agreement is in writing and is signed by the parties against whom enforcement of any waiver, change, modification or discharge is sought. Except in the case of counterpart signature pages, this Agreement shall not be altered, amended or modified by electronic means, including, without limitation, electronic mail or electronic record.

9.5 Calculation of Time Periods. Unless otherwise specified, in computing any period of time described in this Agreement, the day of the act or event after which the designated period of time begins to run is not to be included and the last day of the period so computed is to be included, unless such last day is a Saturday, Sunday or legal holiday under the laws of the State in which the Property is located, in which event the period shall run until the end of the next day which is neither a Saturday, Sunday or legal holiday. The final day of any such period shall be deemed to end at 5:00 p.m., Eastern Standard Time. All references to "days" in this Agreement shall mean calendar days unless specifically set forth otherwise.

9.6 Successors and Assigns. Subject to Section 9.2 hereof, the terms and provisions of this Agreement are to apply to and bind the successors and permitted assigns of the parties hereto.

9.7 Entire Agreement. This Agreement, including the exhibits, contains the entire agreement between the parties pertaining to the subject matter hereof and fully supersedes all prior written or oral agreements and understandings between the parties pertaining to such subject matter.

9.8 Further Assurances. Each party agrees that it will, without further consideration, execute and deliver such other documents and take such other action, whether prior or subsequent to Closing, as may be reasonably requested by the other party to consummate more effectively the purposes or subject matter of this Agreement. Without limiting the generality of the foregoing, Purchaser shall, if requested by Seller, execute acknowledgments of receipt with respect to any materials delivered by Seller to Purchaser with respect to the Property. The provisions of this Section shall survive Closing.

9.9 Counterparts. This Agreement may be executed in counterparts, and all such executed counterparts shall constitute and be part of the same agreement. Facsimile or electronically mailed copies of executed counterparts shall be deemed to be the same as originals. It shall be necessary to account for only one such counterpart in proving this Agreement.

9.10 Email\Facsimile Signature. The parties hereto agree that executed counterparts of this Agreement scanned and emailed or transmitted by facsimile shall be deemed to constitute an original signature and be the binding agreement of each party hereto for all purposes.

9.11 Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall nonetheless remain in full force and effect.

9.12 Applicable Law. This Agreement is performable in the State of South Carolina and shall in all respects be governed by, and construed in accordance with, the substantive federal laws of the United States and the laws of such state. Seller and Purchaser hereby irrevocably submit to the jurisdiction of any court of competent jurisdiction located in the county in which the Property is located in any action or proceeding arising out of or relating to this Agreement and hereby irrevocably agree that all claims in respect of such action or proceeding shall be heard and determined in by a court of competent jurisdiction located in the county in which the Property is located. Purchaser and Seller agree that the provisions of this section 9.13 shall survive the Closing of the transaction contemplated by this Agreement.

9.13 Survival. Purchaser and Seller agree that the provisions of this Article 9 shall survive the Closing of the transaction contemplated by this Agreement or any termination of this Agreement.

9.14 No Third Party Beneficiary. The provisions of this Agreement and of the documents to be executed and delivered at Closing are and will be for the benefit of Seller and Purchaser only and are not for the benefit of any third party, and accordingly, no third party shall have the right to enforce the provisions of this Agreement or of the documents to be executed and delivered at Closing.

9.15 Attorneys' Fees. In the event litigation is required by either party to enforce the terms of this Agreement, the prevailing party of such action shall, in addition to all other relief granted or awarded by the court, be entitled to judgment for reasonable attorneys' and/or paralegals fees and costs incurred by reason of such action and all costs of suit and those incurred in preparation thereof, whether related to trial, collection or appeals.

9.16 Captions. The section headings appearing in this Agreement are for convenience of reference only and are not intended, to any extent or for any purpose, to limit or define the text of any section or any subsection hereof.

9.17 Construction. The parties acknowledge that the parties and their counsel have reviewed and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any exhibits or amendments hereto.

9.18 Termination of Agreement. It is understood and agreed that if either Purchaser or Seller terminates this Agreement pursuant to a right of termination granted hereunder, such termination shall operate to relieve Seller and Purchaser (in which event the defaulting party shall remain liable as provided in this Agreement) from all obligations under this Agreement, except for such obligations as are specifically stated herein to survive the termination of this Agreement.

9.19 Time of Essence. Time is of the essence with respect to this Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the Effective Date.

PURCHASER:

**PALMETTO SERVICES PROPERTIES, LLC
AND/OR ITS ASSIGNS**

By: 

Its: Vice President

SELLER:

CAROLINA WATER SERVICES INC.

By: 

Catherine E. Heigel

Its: President

EXHIBIT A



SELLER'S STATEMENT

Borrower: Palmetto Services Properties, LLC
Seller: Carolina Water Service, Inc.
Lender: Southern First Bank, N.A.
Settlement Agent: Keable & Brown, PA
 (864)250-4000
Place of Settlement: 109 Laurens Road, Bld. 2, Suite A
 Greenville, SC 29607
Settlement Date: September 28, 2018
Property Location: 150 Foster Brothers Drive
 West Columbia, SC 29172
 Lexington County, South Carolina
 1.88 +- Acres
 Plat Ref: 273/644
 Lexington County

CREDITS

Purchase Price		356,400.00
Assessments	09/28/18 to 10/01/18 Lexington County Tax Collector	1.98
Less Total Credits to Seller	TOTAL CREDITS	356,401.98

DEBITS

Commissions - Total commissions:	7.0000% = 24,948.00	24,948.00
Less Deposit Retained		
	12,474.00 CBRE, Inc.	
	12,474.00 Pintail Capital Partners	
Wire Processing Fee	Keable & Brown, PA	20.00
City/County Tax/Stamps	Lexington County Register of Deeds	1,319.05
County Taxes	01/01/18 to 09/28/18 Lexington County Tax Collector	4,346.17
Less Total Reductions to Amount Due Seller	TOTAL DEBITS	30,633.22

BALANCE

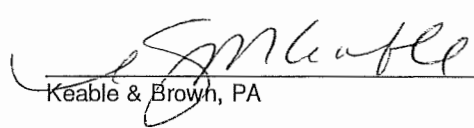
To Seller	325,768.76
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APPROVED:

Carolina Water Service, Inc:

BY:

Catherine E. Heigel, President


 Keable & Brown, PA